1986
Financial Report

BOROUGH OF EAST YORK

88-00594/

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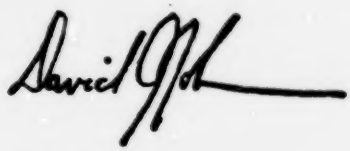
Message from the Mayor

I take great pleasure in presenting the Borough of East York's 1986 Annual Report. This report is a statement of sound financial performance, a reflection of Council's commitment to effectively manage its resources and provide East York residents with the best service possible.

East York's friendly community atmosphere continues to make East York an attractive place to live with the most recent census figures indicating a population increase.

Our corporate citizens have come to enjoy the stability and convenience of operating in our community. We hope that new business and industrial concerns will give serious consideration to locating and developing in East York.

We anticipate a measured rate of growth consistent with our mature and well established community, keeping at the forefront our desire to continue building a solid financial foundation for this community.



David J. Johnson
Mayor of East York

Message from the Treasurer

I am pleased to submit the 1986 Financial Report for the Borough of East York which is provided to the general public and members of the business community. This report is a statement of the Borough's commitment to fiscal responsibility and its results exemplify another good year in the management of East York.

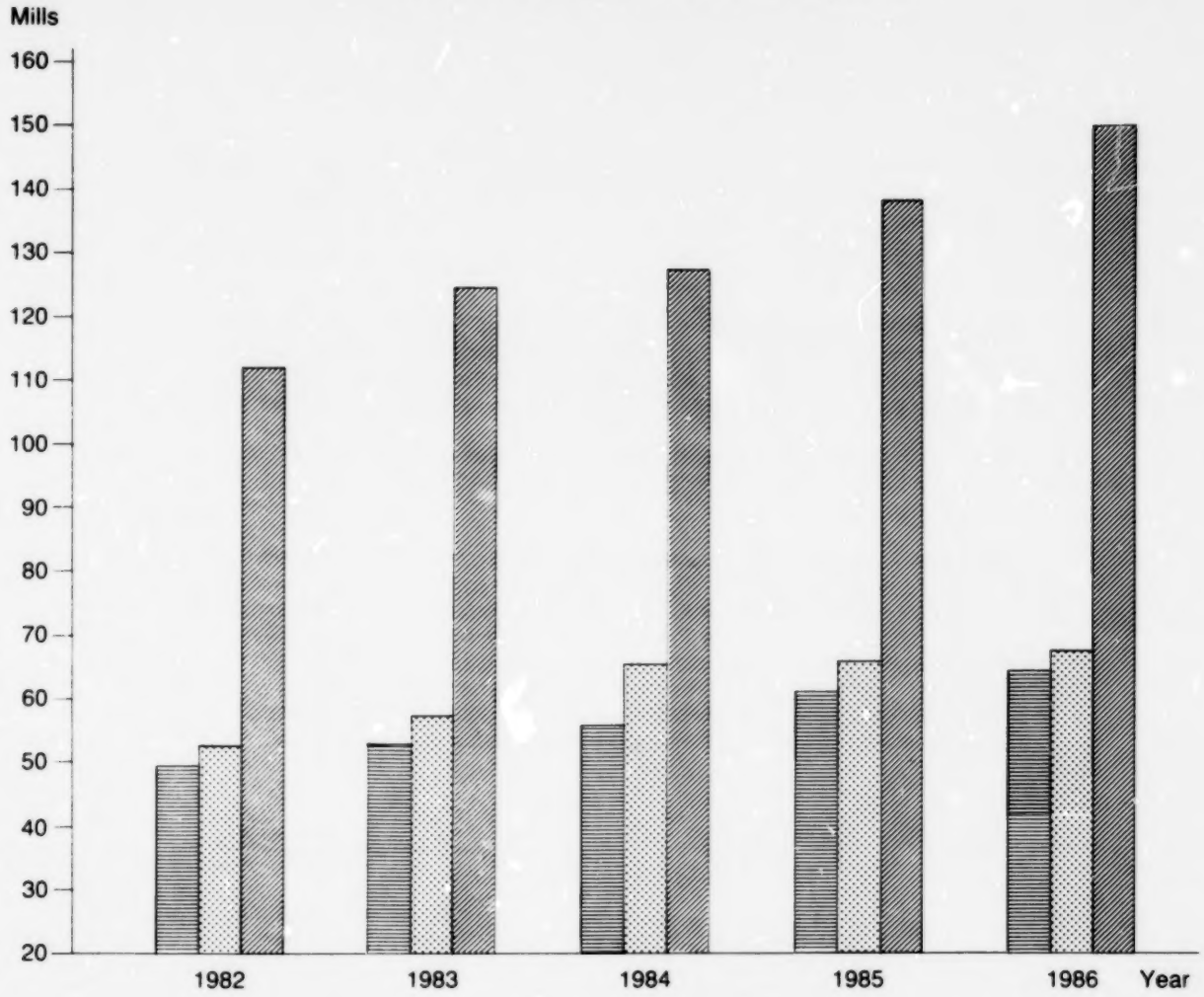
East York residents continue to be provided with the highest quality of services while the total mill rate ranks as third lowest among the Metro area Municipalities.

Important capital works projects continued throughout 1986 in an effort to modernize sewers and visibly improve transportation networks. By pursuing all available financing methods including the support of other levels of government, we have managed to minimize the impact of these projects on the mill rate and the consequent costs borne by our taxpayers.

The following pages will provide information on the Borough's financial status. I trust interested parties will find this report both useful and informative.

Eric Nichols, B.Comm., CGA
Borough Treasurer

RESIDENTIAL MILL RATE COMPOSITION



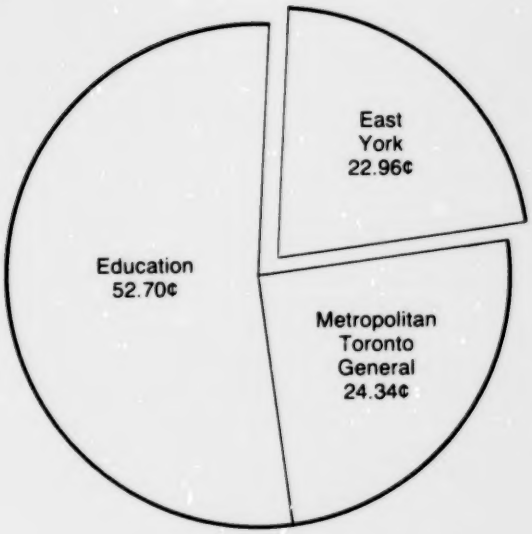
Legend

— Borough — Metro — Education

Residential Mill Rate Composition

	1982	1983	1984	1985	1986
Borough	49.17	53.09	56.17	60.09	65.42
Metro	53.18	58.02	64.63	66.41	69.58
Education	111.38	124.29	127.97	139.25	150.53
	213.73	235.40	248.77	265.75	285.53

HOW TAX DOLLARS ARE SPENT

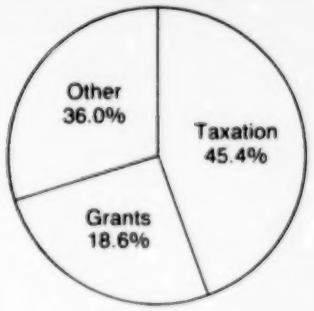


In 1986, the Borough of East York collected a total of $87.0 million in tax revenue, $19.9 million was retained for Municipal purposes the remainder was collected on behalf of the Municipality of Metropolitan Toronto and the Boards of Education. While East York collects all property related taxes through a single billing process for efficiency reasons the amount of tax levied for each purpose is determined individually by the Borough, Metropolitan Toronto and the Boards of Education. In 1986, the Borough of East York was responsible for 22.96% of the total mill rate, the Municipality of Toronto for 24.34% and the Boards of Education for 52.70%.

SOURCE OF FUNDS

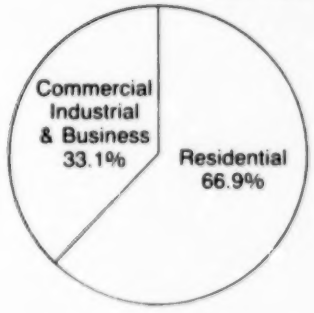
TOTAL:	1986 ACTUAL $	%
Taxation	19,962,869	45.4
Grants	8,173,276	18.6
Other	15,841,633	36.0
Total	43,977,778	100.00

TOTAL SOURCES



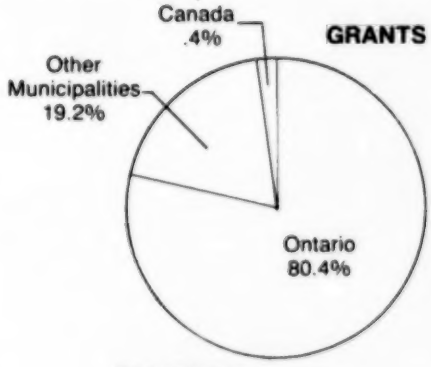
TAXATION:		
Residential	13,355,911	66.9
Commercial/ Industrial & Business	6,606,958	33.1
Total	19,962,869	100.0

TAXATION



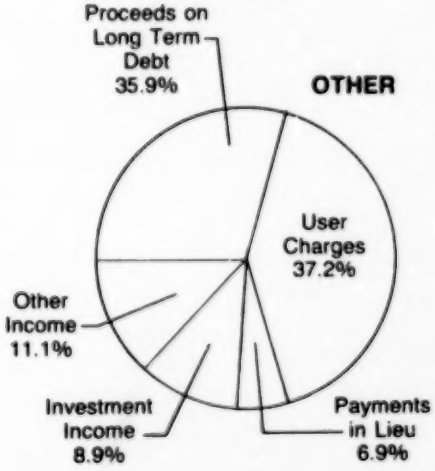
GRANTS:		
Canada	29,935	.4
Ontario	6,574,957	80.4
Other Municipalities	1,568,384	19.2
Total	8,173,276	100.0

GRANTS



OTHER:		
User Charges	5,894,094	37.2
Payments in Lieu	1,099,602	6.9
Investment Income	1,403,033	8.9
Other Income	1,757,088	11.1
Proceeds on Long Term Debt	5,687,816	35.9
Total	15,841,633	100.0

OTHER



APPLICATION OF FUNDS

Total	1986 ACTUAL	%
Current operations	33,863,184	77.0
Capital	7,352,084	16.7
Transfers from own funds	2,762,510	6.3
	43,977,778	100.0

Current Operations:

Fire and Protection	7,916,444	23.4
Recreation and Culture	7,729,873	22.8
Transportation	5,320,544	15.7
General Government	5,237,616	15.4
Garbage and Waterworks	4,828,395	14.3
Health	2,298,500	6.8
Planning	531,812	1.6
	33,863,184	100.0

Capital Operations:

Environment	4,668,870	63.5
Transportation	998,345	13.6
General Government	562,086	7.6
Vehicles and Equipment	485,292	6.6
Parks and Recreation	474,876	6.5
Other	162,615	2.2
	7,352,084	100.0

SIX-YEAR FINANCIAL REVIEW

(All dollar amounts are in thousands of dollars, except per capita figures.)

	1986	1985	1984	1983	1982	1981
Population at the end of the year	101,085	97,679	98,948	99,448	103,965	101,110
Area in acres at the end of the year	5,312	5,312	5,312	5,312	5,312	5,312
Employees - continuous full time	510	510	509	526	518	532
- part time	160	199	184	220	192	224
Number of households	44,079	44,034	44,643	43,585	43,585	43,947
Assessment						
Taxable assessment upon which the year's rates of taxation were set						
Residential and farm	$201,186	$199,291	$205,127	$204,012	$202,422	$201,821
Commercial and industrial	53,302	53,197	52,112	52,080	52,848	52,882
Business	24,544	24,724	23,969	23,967	24,535	24,026
Total	$279,032	$277,212	$281,208	$280,059	$279,805	$278,729
Per capita	$ 2,760	$ 2,837	$ 2,827	$ 2,816	$ 2,814	$ 2,757
Commercial and industrial, and business as a percentage of taxable assessment	27.9%	28.1%	27.1%	27.2%	27.6%	27.6%
Exempt assessment	$ 29,280	$ 29,326	$ 29,095	$ 29,401	$ 33,320	$ 33,316
Provincial equalization factor	8.34	8.35	9.4	9.4	11.1	12.2
Rates of taxation						
Residential and farm mill rate						
for general municipal purposes	65.42	60.09	56.17	53.09	49.17	43.92
for region or country purposes	69.58	66.41	64.63	58.02	53.18	48.93
for school board purposes	150.53	139.25	127.97	124.29	111.38	97.56
Total	285.53	265.75	248.77	235.40	213.73	190.41
Commercial and industrial mill rate for						
general municipal purposes	76.97	70.70	66.08	62.46	57.84	51.67
for region or county purposes	81.85	78.13	76.04	68.26	62.56	57.56
for school board purposes	177.10	163.81	150.55	146.22	131.03	114.77
Total	335.92	312.64	292.67	276.94	251.43	224.00
Revenue for general municipal services						
Taxation	$ 23,605	$ 21,571	$ 20,093	$ 18,887	$ 17,316	$ 15,443
Payments in lieu of taxes	1,100	1,183	1,112	1,061	1,012	892
Ontario grants	4,953	4,708	4,541	4,177	4,169	3,113
Other grants	258	230	342	126	15	
Fees and service charges	1,459	1,761	1,543	1,520	1,323	1,216
Other	2,814	2,747	2,656	1,927	2,972	2,572
Total	$ 34,189	$ 32,200	$ 30,287	$ 27,698	$ 26,807	$ 23,236
Tax arrears - per capita	$ 15	$ 19	$ 25	$ 25	$ 32	$ 15
- percentage of current levy	1.7%	2.3%	3.3%	3.5%	4.9%	2.7%
Expenditure - General municipal	$ 33,997	$ 32,515	$ 30,492	$ 28,180	$ 27,080	$ 22,730
Transfers to the region or county	$ 26,540	$ 25,167	$ 24,168	$ 21,787	$ 19,748	$ 18,119
Transfers to the school boards	$ 46,035	$ 42,189	$ 38,754	$ 37,503	$ 33,497	$ 29,320
Net long term liabilities						
General municipal activities	$ 12,346	$ 8,213	$ 9,257	$ 8,366	$ 7,591	$ 8,376
— per capita	$ 122	$ 84	$ 94	$ 84	$ 76	$ 83
— percentage of taxable assessment	4.4%	2.9%	3.4%	3.0%	2.7%	3.0%
Charges for net long term liabilities						
General municipal activities	$ 3,091	$ 3,103	$ 2,864	$ 2,560	$ 2,601	$ 2,028
— per capita	$ 31	$ 31	$ 29	$ 26	$ 26	$ 20
— as a mill rate	11	11	9	9	9	7
Capital financing during the year						
Contributions from own funds	$ 1,227	$ 1,870	$ 986	$ 630	$ 291	$ 505
Long term liabilities incurred	5,688	600	2,640	2,270	729	2,057
Ontario grants	1,622	3,252	1,854	1,183	1,394	1,281
Other	1,506	2,008	3,441	587	183	1,835
Total	$ 10,043	$ 7,730	$ 8,921	$ 4,670	$ 2,597	$ 5,678
Capital expenditure during the year	$ 7,352	$ 9,080	$ 8,198	$ 3,650	$ 3,681	$ 4,748
Accumulated net revenue (deficit) at the end of the year	$ 1,664	$ 1,482	$ 1,796	$ 2,003	$ 2,485	$ 2,726
Reserves and reserve funds	$ 5,591	$ 5,641	$ 6,366	$ 5,955	$ 5,495	$ 4,404
Trust Funds	$ 297	$ 280	-	-	-	-

BOROUGH OF EAST YORK
CONSOLIDATED FINANCIAL STATEMENTS

Deloitte
Haskins+Sells

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10 Milner Business Court
Scarborough, Ontario M1B 3C6
(416) 293-7704
Cable DEHANDS

Auditors' Report

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Borough of East York:

We have examined the consolidated balance sheet of the Corporation of the Borough of East York as at December 31, 1986 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the Borough of East York as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the consolidated financial statements applied, after giving retroactive effect to the change in the method of accounting for sinking fund excess earnings as explained in Note 10 to the financial statements, on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

April 3, 1987

75 *Building on Seventy–Five Years of Client Service*

BOROUGH OF EAST YORK
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1986

ASSETS	1986 $	1985 (Restated) $
UNRESTRICTED		
Cash	-	914,377
Investments (Note 4)	4,376,966	-
Taxes Receivable	1,564,566	1,822,494
Water Rates Receivable	1,438,583	1,355,042
Accounts Receivable	2,692,875	3,366,132
Other Current Assets	258,580	289,722
	10,331,570	7,747,767
RESTRICTED		
Cash	50,083	478,175
Investments (Note 4)	1,904,673	-
Accounts Receivable	-	1,940,000
	1,954,756	2,418,175
CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS (Note 1)	12,345,948	8,212,580
	24,632,274	18,378,522
LIABILITIES		
Temporary Loans	196,502	-
Accounts Payable and Accrued Liabilities	2,997,776	3,937,853
Other Current Liabilities	738,292	691,349
	3,932,570	4,629,202
Net Long Term Liabilities (Note 7)	12,345,948	8,212,580
	16,278,518	12,841,782
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation (Note 8)	1,664,395	1,482,058
Unexpended capital financing (or capital operations not yet permanently financed) Note 8)	1,098,115	(1,592,817)
Reserves (Note 9 & 10)	3,636,490	3,229,324
Reserve Funds (Note 9)	1,954,756	2,418,175
	8,353,756	5,536,740
	24,632,274	18,378,522

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

BOROUGH OF EAST YORK
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

SOURCES OF FINANCING	BUDGET 1986 $	ACTUAL 1986 $	ACTUAL (Restated) 1985 $
TAXATION — Residential	58,015,536	58,319,184	54,125,972
— Commercial	28,965,847	28,669,440	26,409,900
— Payments in lieu	1,317,980	1,288,558	1,207,338
— User charges	10,929,067	11,254,369	10,608,781
AMOUNTS RECEIVED ON BEHALF OF METROPOLITAN TORONTO AND THE SCHOOL BOARDS (Note 2)	(72,405,219)	(72,574,988)	(67,356,081)
	26,823,211	26,956,563	24,995,910
GRANTS — Canada	38,400	29,935	476,093
— Ontario	6,189,129	6,574,957	7,959,641
— Other Municipalities	2,261,000	1,568,384	1,748,762
	8,488,529	8,173,276	10,184,496
INVESTMENT INCOME	900,000	1,403,033	1,225,764
OTHER INCOME	1,164,630	1,811,596	1,197,364
	2,064,630	3,214,629	2,423,128
PROCEEDS OF LONG TERM DEBT	2,151,000	5,687,816	600,115
NET APPROPRIATIONS FROM RESERVES AND RESERVE FUNDS	891,163	56,253	896,683
MUNICIPAL FUND BALANCES, beginning of year			
TO BE USED TO OFFSET TAXATION	1,456,161	1,482,058	1,796,949
CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED	-	(1,592,817)	(243,374)
TOTAL FINANCING AVAILABLE	41,874,694	43,977,778	40,653,907

APPLIED TO	BUDGET 1986 $	ACTUAL 1986 $	ACTUAL (Restated) 1985 $
CURRENT OPERATIONS			
General government	4,902,102	5,237,616	4,098,837
Fire	7,565,000	7,254,483	6,995,969
Protection	737,425	661,961	663,187
Transportation	5,505,113	5,320,544	5,796,254
Garbage	2,442,825	2,026,776	2,014,655
Waterworks	3,976,440	2,801,619	2,604,204
Health	1,938,231	2,298,500	1,637,948
Planning	511,843	531,812	478,250
Parks and recreation	5,673,306	5,190,702	5,023,965
Libraries	2,537,946	2,539,171	2,371,873
	35,790,231	33,863,184	31,685,142
CAPITAL OPERATIONS			
General government	535,345	562,086	290,985
Protection	19,283	24,548	8,676
Transportation	996,190	998,345	1,482,389
Environmental	4,500,450	4,668,870	5,219,277
Health	-	17,072	30,033
Planning	3,550	39,722	3,252
Parks and recreation	29,645	474,876	782,820
Libraries	-	81,273	37,923
Vehicles & equipment	-	485,292	1,224,169
	6,084,463	7,352,084	9,079,524
MUNICIPAL FUND BALANCES end of year			
TO BE USED TO OFFSET TAXATION (Note 8)	-	1,664,395	1,482,058
UNEXPENDED CAPITAL OUTLAY (OR CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED) (Note 8)	-	1,098,115	(1,592,817)
TOTAL APPLICATIONS	41,874,694	43,977,778	40,653,907

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

BOROUGH OF EAST YORK
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Borough of East York are the representations of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

— East York Public Library Board
— Borough of East York Health Unit
— The North Pape Village Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other funds of the municipality and the resulting interest income and expenditures.

(ii) Non-Consolidated Entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:
— The Hydro Electric Commission of the Borough of East York

(iii) Accounting for Region and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Metropolitan Toronto school boards, and the Municipality of Metropolitan Toronto are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the Consolidated Balance sheet as "Other current liabilities" ("Other current assets").

(iv) Trust Funds

Trust funds and their related operations administered by the Borough of East York are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the period from the date of the latest installment payment to the end of the financial year.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iv) "Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Balance Sheet.

2. OPERATIONS OF THE METROPOLITAN TORONTO SCHOOL BOARDS AND THE MUNICIPALITY OF METROPOLITAN TORONTO

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the Metropolitan Toronto School Boards and the Municipality of Metropolitan Toronto are comprised of the following:

	Metropolitan Toronto School Boards $	Municipality of Metropolitan Toronto $
Taxation and User Charges	45,846,323	26,539,708
Grants	188,957	-
Total	46,035,280	26,539,708
Requisitions	46,099,284	26,544,412
Overlevies (underlevies) for the year	(64,004)	(4,704)
Overlevies (underlevies) at the beginning of the year	44,419	(13,357)
Overlevies (underlevies) at the end of the year	(19,585)	(18,061)

The overlevies (underlevies) at the end of the year are reported as "Other Current Liabilities (Other Current Assets)" on the Consolidated Balance Sheet.

3. TRUST FUNDS

Trust funds administered by the municipality amounting to $297,062 (1985 — $279,580) have not been included in the Consolidated Balance Sheet nor have their operations been included in the Consolidated Statement of Operations.

4. INVESTMENTS

The total of investments of $6,281,639 (1985 — nil) reported on the Consolidated Balance Sheet at cost, have a market value of $6,281,639 (1985 — nil) at the end of the year.

5. LIABILITIES FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

(a) Past Service Pension

Under the Past Service Provision of Pension Agreements, the Municipality is obligated at December 31, 1986 for an amount of approximately $45,400 (1985 — $110,700) as established by the plans. The balance of this liability will be funded by annual payments of $22,700 for the next two years of which $2,325 per annum is recoverable from the East York Fire Fighters. No provision has been made for this liability.

(b) Date of Hire

Under the Date of Hire Provision of Pension Agreements the Municipality is obligated at December 31, 1986 for an amount of approximately $1,010,100 (1985 — $1,563,422) as established by the plans. The balance of this liability will be funded by annual payments of $77,700 over the next 13 years. No provision has been made for this liability.

(c) Early Retirement

Under the Early Retirement Provision of Pension Agreements the Municipality is obligated at December 31, 1986 for an amount of approximately $508,300 (1985 — $786,940) as established by the plans. The balance of this liability will be funded by annual payments of $39,100 over the next 13 years. No provision has been made for this liability.

(d) Final Average Earnings

In addition, the Municipality is liable for costs relating to adoption of the "Final Average Earnings" benefit for employees in the Metropolitan Toronto Pension Plan effective January 1, 1978.

The obligation at December 31, 1986, is approximately $3,591,000 (1985 — $6,566,740) and is to be funded over the next 9 years by annual payments of $399,000. No provision has been made for this liability.

6. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination amounted to $3,570,581 (1985 — $3,180,545) at the end of the year. A reserve for sick leave was established in 1982 as a provision for this liability with a balance of $106,004 at December 31, 1986.

7. NET LONG TERM LIABILITIES

(a) The Net Long Term Liabilities as reported on the Consolidated Balance Sheet is made up of the following:

	1986 $	1985 $
Responsibility has been assumed by the Municipality for the payment of principal and interest charges on certain long term liabilities issued by another Municipality. At the end of the year, the principal amount of this liability is:	18,925,845	17,259,673
The total value of Sinking Funds which have been accumulated to the end of the year to retire the outstanding long term liabilities shown above amount to:	(6,579,897)	(9,047,093)
Net long term liabilities at end of year	12,345,948	8,212,580

(b) Included in "Net Long Term Liabilities" on the Consolidated Balance Sheet is an amount of $1,016,368 (1985 — $1,471,533) which is payable in U.S. funds and which was converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1986, the liability would be increased by approximately $199,650 (1985 — $325,000).

(c) Total charges for the year for long term liabilities were as follows:

	1986 $	1985 $
Principal payments including contributions to Sinking Funds	1,251,054	1,367,320
Interest	1,839,729	1,735,200
	3,090,783	3,102,520

The total charges of $3,090,783 were paid from general municipal revenues of the Municipality and are included in Expenditures on the Consolidated Statement of Operations classified under the appropriate functional headings.

(d) Of the Net Long Term Liabilities reported in (a) of this note, $5,715,977 in principal payments are payable from 1987 to 1991, $2,014,077 from 1992 to 1996, and $15,178 thereafter and are summarized as follows:

	1987 to 1991 $	1992 to 1996 $	1997 and thereafter $
From General Municipal Revenues	5,431,334	1,969,336	15,178
From Benefitting Landowners	208,953	-	-
From consolidated municipal enterprises (Libraries)	75,690	44,741	-
	5,715,977	2,014,077	15,178

The balance of the net long term liabilities of $4,600,716 will be paid from sinking fund earnings.

(e) No provision has been made in these financial statements for the accrual of interest on net long term liabilities. Had this provision been made the Municipal Fund Balances at December 31, 1986 would have been decreased by $297,907 (1985 — $232,979).

(f) Approval of the Ontario Municipal Board has been obtained for the Long Term Liabilities reported on the Consolidated Balance Sheet.

8. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) The balance on the Consolidated Statement of Operations of municipal equity (deficit) of $2,762,510 (1985 — $(110,759)) at the end of the year is comprised of the following:

	1986 $	1985 $
• for general reduction (increase) of taxation	1,664,395	1,482,058
• acquisition of fixed assets to be financed from the proceeds of long term liabilities	-	(1,592,817)
• fund available for the acquisition of fixed assets	1,098,115	-
	2,762,510	(110,759)

9. REVERVES AND RESERVE FUNDS

The balance of Reserves and Reserve Funds of $5,591,246 (1985 Restated — $5,647,499) is comprised of the following:

	1986 $	1985 (Restated) $
RESERVES		
Set aside for specific purposes by council		
For Working Capital	550,000	725,000
For Debenture Reduction	2,280,013	1,828,095
For Employees Sick Leave	106,004	126,705
For Worker's Compensation Claims	700,473	549,524
	3,636,490	3,229,324
RESERVE FUNDS		
Set aside for specific purposes by council		
For Equipment Replacement	885,514	975,896
For Self Insurance	107,951	59,420
For Hospital Expansion	166,666	520,000
For Curling Rink Expansion	612	24,537
Set aside for specific purposes by legislation, regulation, agreement		
For New Service Installation	602,060	576,676
For Parkland Acquisition	191,953	261,646
	1,954,756	2,418,175
	5,591,246	5,647,499

10. RESTATEMENT OF RESERVES

The 1985 Reserves balances have been restated to reflect the availability of sinking fund excess earnings in the periods in which they were earned. Sinking fund excess earnings were previously recorded on a cash basis. The net effect of this restatement is to increase the unrestricted assets and reserve balances on the Balance Sheet by $285,231 and on the Consolidated Statement of Operations to reduce other income by $121,316 and increase net appropriations from Reserves by $121,316. The following details these restatements:

	1985 $	1985 Restated $
Balance Sheet		
Accounts Receivable	3,080,811	3,366,132
Reserves	2,944,003	3,229,324
Consolidated Statement of Operations		
Other Income	1,318,680	1,197,364
Net appropriations from Reserves & Reserves Funds	775,367	896,683

11. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

BOROUGH OF EAST YORK
ANALYSIS OF CONSOLIDATED CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

	BUDGET 1986 $	ACTUAL 1986 $	ACTUAL 1985 $
REVENUE			
TAXATION AND USER CHARGES			
Residential taxation	58,015,536	58,319,184	54,125,972
Commercial, industrial and business taxation	28,965,847	28,669,440	26,409,900
Taxation from other governments	1,317,980	1,288,558	1,207,338
User charges	10,929,067	11,254,369	10,608,781
DEDUCT			
Amounts received or receivable on behalf of school boards and Metropolitan Toronto	(72,405,219)	(72,574,988)	(67,356,081)
GRANTS			
Government of Canada	38,400	29,935	6,781
Province of Ontario	4,598,129	4,952,705	4,708,236
Metropolitan Toronto	224,000	228,594	223,264
OTHER			
Investment income	900,000	1,225,132	1,033,847
Other	1,861,793	785,933	1,232,528
Net Municipal Revenue	34,445,533	34,178,862	32,200,566
EXPENDITURES			
General government	4,921,447	4,679,555	3,829,499
Fire services	7,575,055	7,454,229	7,113,270
Protective & inspection	746,653	681,196	675,912
Transportation	5,515,303	5,377,159	5,849,652
Garbage	2,453,325	2,391,974	2,262,081
Waterworks	3,995,390	2,979,085	2,716,138
Health	1,938,231	1,995,256	1,907,381
Planning & development	515,393	543,725	487,776
Parks & recreation	5,702,951	5,355,175	5,239,227
Libraries	2,537,946	2,539,171	2,434,521
	35,901,694	33,996,525	32,515,457
SURPLUS (DEFICIT) FOR THE YEAR	(1,456,161)	182,337	(314,891)
SURPLUS, BEGINNING OF YEAR	1,456,161	1,482,058	1,796,949
SURPLUS, END OF YEAR	0	1,664,395	1,482,058

BOROUGH OF EAST YORK
ANALYSIS OF CONSOLIDATED CAPITAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

	ACTUAL 1986 $	ACTUAL 1985 $
SOURCES OF FINANCING		
Long term liabilities incurred	5,687,816	600,115
Government of Canada grants	-	469,312
Province of Ontario grants	1,622,252	3,251,405
Other	1,505,847	1,538,785
Appropriations from Other Funds		
—Revenue Fund	111,743	241,672
—Reserve Funds	1,115,357	1,628,792
	10,043,015	7,730,081
EXPENDITURES		
General	562,085	290,985
Protection	24,548	8,676
Transportation	998,345	1,482,389
Environmental	4,668,870	5,219,277
Health	17,072	30,033
Planning & development	39,722	3,252
Parks & recreation	474,876	782,820
Libraries	81,273	37,923
Vehicles	485,292	1,224,169
	7,352,083	9,079,524
NET SOURCES OF FINANCING (EXPENDITURES) FOR THE YEAR	2,690,932	(1,349,443)
(CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED AT THE BEGINNING OF THE YEAR)	(1,592,817)	(243,374)
UNEXPENDED CAPITAL FINANCING (CAPITAL OPERATIONS NOT YET PERMANENTLY FINANCED) AT THE END OF THE YEAR	1,098,115	(1,592,817)

BOROUGH OF EAST YORK
ANALYSIS OF RESERVES AND RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1986

	ACTUAL 1986 $	ACTUAL (Restated) 1985 $
REVENUE		
Contributions from Revenue Fund	1,262,710	973,746
Contributions from Developers	19,450	6,750
Excess Earnings on Sinking Fund	510,866	285,321
Interest Earned	177,901	191,917
Other	465,596	393,301
	2,436,523	1,851,035
EXPENDITURE		
Transfers to Capital Fund	1,115,357	1,628,792
Transfers to Revenue Fund	157,009	733,823
Worker's Compensation Charges	289,289	155,683
Hospital Expansion	520,000	-
Other	411,121	229,420
Transfer to Trust Funds	-	228,859
	2,492,776	2,976,577
NET APPROPRIATIONS FOR YEAR	(56,253)	(1,125,542)
BALANCE AT THE BEGINNING OF THE YEAR	5,647,499	6,773,041
BALANCE AT THE END OF THE YEAR	5,591,246	5,647,499

BOROUGH OF EAST YORK
TRUST FUNDS
FINANCIAL STATEMENTS

Deloitte
Haskins+Sells

Suite 900
10 Milner Business Court
Scarborough, Ontario M1B 3C6
(416) 293-7704
Cable DEHANDS

Auditors' Report

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Borough of East York:

We have examined the trust funds balance sheet of the Corporation of the Borough of East York, as at December 31, 1986, and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds for the Corporation of the Borough of East York as at December 31, 1986 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

April 3, 1987

75 *Building on Seventy-Five Years of Client Service*

BOROUGH OF EAST YORK
BALANCE SHEET-TRUST FUNDS
AS AT DECEMBER 31, 1986

	1986			1985
	Ontario Home Renewal $	Termite Exter-mination $	Total $	Total $
ASSETS				
Due from the Borough of East York	107,707	111,679	219,386	172,203
Accounts receivable	41,109	-	41,109	50,587
Accounts receivable — future forgiveness	36,566	-	36,566	56,790
	185,382	111,679	297,061	279,580
LIABILITIES				
Loan payable	2,975	-	2,975	-
Balance - capital	182,407	111,679	294,086	279,580
	185,382	111,679	297,061	279,580

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

BOROUGH OF EAST YORK
STATEMENT OF CONTINUITY-TRUST FUNDS
AS AT DECEMBER 31, 1986

	1986			1985
	Ontario Home Renewal $	Termite Exter-mination $	Total $	Total $
Balance at Beginning of Year	125,384	154,196	279,580	228,858
RECEIPTS:				
Provincial grants	73,489	106,000	179,489	202,000
Interest earned	3,652	12,032	15,684	11,434
Other revenue	2,854	-	2,854	4,049
	79,995	118,032	198,027	217,483
EXPENDITURES:				
Contractor payments	-	160,549	160,549	133,029
Loans forgiven	22,794	-	22,794	33,732
Administration fees	177	-	177	-
	22,971	160,549	183,520	166,761
Balance at End of Year	182,408	111,679	294,087	279,580

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT

BOROUGH OF EAST YORK
NOTES TO THE TRUST FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The Trust funds financial statements of the Corporation of the Borough of East York are the representations of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent on future events the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting

(i) Sources of financing and expenditure are reported on the accrual basis of accounting.

(ii) the accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

BOROUGH OF EAST YORK
MUNICIPAL COUNCIL

Mayor — David J. Johnson

Aldermen — Ward 1

Cy Reader
Bob Willis

Aldermen — Ward 2

George Vasilopoulos
Bill Buckingham

Aldermen — Ward 3

Bob Dale
Steven Mastoras

Aldermen — Ward 4

Peter Oyler
J. Edna Beange

DEPARTMENT HEADS

Finance & Personnel	Eric Nichols, Treasurer
Fire	George Kerfoot, Chief
Legal	Chuck Loopstra, Solicitor
Parks & Recreation	David Clark, Commissioner
Planning & Development	Martin Rendl, Commissioner
Works	Paul Cockburn, Commissioner
Clerks	Wm Alexander, Jr., Clerk

CONSOLIDATED BOARDS

Library	Bey Grieve, Chief Librarian
Health Unit	Dr. Richard Schabas, Medical Officer of Health
North Pape Village Business Improvement Area	Reverend Len Self, Chairman of the Board of Management